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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETEDCOMMISSIONERS

NOV 07 2017

TOM FORESE - Chairman
 BOB BURNS
 ANDY TOBIN
 BOYD DUNN
 JUSTIN OLSON

DOCKETED BY

In the matter of)

BELIEVING IN JESUS INVESTMENTS,)
 LLC, an Arizona limited liability company,)

PHOEBUS VINCENT SMITH (a/k/a Vince)
 Smith and/or Mr. Vince),)

SHARON ELIZABETH GOVAN (a/k/a)
 Sharron E. Govan-Smith, Sharon Smith, Ms.)
 Sharon and/or Charron Govan),)

Respondents.)

DOCKET NO. S-20478A-06-0565

DECISION NO. 76449

**ORDER TO CEASE AND DESIST, ORDER
 FOR RESTITUTION, ORDER FOR
 ADMINISTRATIVE PENALTIES AND
 CONSENT TO SAME**

BY: SHARON ELIZABETH GOVAN

Respondent SHARON ELIZABETH GOVAN ("Respondent") elects to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order To Cease And Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same ("Order"). Respondent SHARON ELIZABETH GOVAN admits the jurisdiction of the Arizona Corporation Commission ("Commission"); neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order; and consents to the entry of this Order by the Commission.

I.**FINDINGS OF FACT**

1. From at least August 2005, until at least July 2007, SHARON ELIZABETH GOVAN ("GOVAN") was a resident of Arizona. GOVAN has not been registered by the Commission as a securities salesman or dealer.

1 2. Believing in Jesus Investments, LLC ("BIJI"), is a limited liability company organized
2 under the laws of the state of Arizona since February 2006. BIJI has not been registered by the
3 Commission as a securities salesman or dealer.

4 3. From at least August 2005 until at least March 2007, Phoebus Vincent Smith
5 ("Smith") was a resident of Arizona. Smith has not been registered by the Commission as a securities
6 salesman or dealer.

7 4. GOVAN and Smith have been for all relevant times the managing members of BIJI.

8 5. From at least March 2006, until at least September 2006, GOVAN, BIJI, and Smith
9 offered and sold securities in the form of investment contracts. GOVAN, BIJI, and Smith informed
10 investors that the purpose of BIJI was to invest in raw land, real estate development, condominiums,
11 luxury cars, new business ventures, and bulk merchandise.

12 6. GOVAN, BIJI, and Smith promoted their investment opportunities through fliers and
13 live presentations by primarily targeting fellow church members.

14 7. BIJI offering documents were provided to unsophisticated investors by Smith and
15 GOVAN. The offering documents, replete with religious references and biblical quotes, stated that
16 BIJI is a private investment company for BIJI members only.

17 8. GOVAN, BIJI, and Smith informed offerees that in order to participate in the
18 investment opportunities, investors had to purchase one of four types of memberships from BIJI
19 ("BIJI Members"). GOVAN, BIJI, and Smith informed offerees that the first and second membership
20 types were entitled "Christian Millionaires in Training 1" or "CMIT 1" and "Christian Millionaires
21 in Training 2" or "CMIT 2." GOVAN, BIJI, and Smith informed offerees that these programs were
22 designed mainly for children, teens, grandparents, single parents, and individuals earning less than
23 \$20,000 per year. The non-refundable membership fee was \$50 for CMIT 1, and \$150 for CMIT 2.
24 The third type of BIJI membership was the "Regular" whose non-refundable membership fee was
25 \$500. The fourth type of BJI membership was the "Premier" whose non-refundable membership fee
26 was \$1,000. Investors were told that as a BIJI Member, for each new BIJI Member they recruited,

1 they would have received a referral fee of up to \$250, the amount of which was determined by the
2 type of BIJI membership that was held by the recruiter and the type of new membership that was
3 acquired.

4 9. GOVAN, BIJI, and Smith solicited investors to enroll in a variety of investment
5 contracts including, but not limited to, the following:

6 (a) A program that would yield \$600 on a \$500 investment in 60 days or \$1,250
7 on a \$1,000 investment in 90 days;

8 (b) A program in which investment amounts ranging from \$2,000 to \$500,000
9 promised a 100% return on the initial investment minus a 25% transaction fee in 6-36
10 months. Investors were provided charts showing investment amount and returns;

11 (c) The "Future BIJI Homebuyers" program. GOVAN, BIJI, and Smith
12 informed investors that an investment of 6 consecutive payments of \$500 up to \$10,000 per
13 month would yield a guaranteed 100% return on their initial investment after 12-18 months;

14 (d) The "24 Rolls Royce/Bentley Project 2006-2007" program. GOVAN, BIJI,
15 and Smith informed investors that five BIJI Members would be allowed to each purchase
16 one-fifth of a Rolls Royce or Bentley automobile by investing one-fifth of the wholesale
17 price of the car. A 25% mark-up would be added to wholesale cost of the car and sold with
18 each investor yielding a 25% return on their initial investment;

19 (e) The "Land Investment Plan" program. GOVAN, BIJI, and Smith informed
20 investors that BIJI planned to develop 500 lots or acres of land located in Utah, New
21 Mexico, California, and Arizona during 2006-2007. Up to twenty BIJI Members would be
22 allowed to participate in this program by investing their proportionate share of the cost of
23 the land. A minimum of a 25% mark-up would be added to the cost of the property (or to
24 the acquisition and construction costs) and sold with each investor yielding at least a 25%
25 return on their initial investment; and

26 (f) The "Home Investment Plan" program. GOVAN, BIJI, and Smith informed

1 investors that BIJI planned to purchase homes (existing or to be constructed) ranging in cost
2 from \$100,000 up to \$350,000. BIJI Members would be allowed to participate in this
3 program by investing their proportionate share of the cost of the home. A minimum of a
4 25% mark-up would be added to the sale price of the property and sold with each investor
5 yielding at least a 25% return on their initial investment. In BIJI's offering documents,
6 Smith stated he would buy-out an investor's share with interest in the event that a completed
7 home remains unsold after 12 months.

8 10. According to BIJI's offering documents, Smith oversaw all investment programs,
9 and would distribute all the income directly to the investors. Apart from enrolling in a particular
10 program by contributing their funds, the investors do not participate in the business operations of
11 BIJI.

12 11. Investors were told that any return received on their investments would come from
13 returns on BIJI investments. Contrary to the above statement, GOVAN, BIJI, and Smith paid old
14 investors with money received from new investors.

15 12. GOVAN, BIJI, and Smith failed to disclose to offerees and investors that investor
16 funds will be expended for personal use. GOVAN, BIJI, and Smith used a portion of investor
17 funds for personal expenses without authorization from investors.

18 13. A Desist and Refrain Order was entered by the State of California, Department of
19 Corporations on January 31, 2005, against Smith for operating a Ponzi scheme [related to the offer
20 and sale of similar investment opportunities], while a resident of California, to investors located
21 in that state ("California Order"). GOVAN, BIJI, and Smith failed to disclose the existence of the
22 California Order to potential investors and BIJI Members.

23 14. From at least March 2006 until at least September 2006, GOVAN, BIJI, and Smith
24 raised approximately \$280,200 from at least thirty investors, approximately \$35,150 was paid
25 back to investors. The remaining principal amount owed is \$245,050.

II.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. Respondent GOVAN offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

3. Respondent GOVAN violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. Respondent GOVAN violated A.R.S. § 44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.

5. Respondent GOVAN's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

6. Respondent GOVAN's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

7. Respondent GOVAN's conduct is grounds for administrative penalties under A.R.S. § 44-2036.

III.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondent GOVAN's consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent GOVAN, and any of Respondent GOVAN's agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

1 IT IS FURTHER ORDERED that Respondent GOVAN complies with the attached Consent
2 to Entry of Order.

3 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent GOVAN
4 shall pay restitution to the Commission in the principal amount of \$245,050 [minus any legal
5 offsets] as a result of the conduct set forth in the Findings of Fact and Conclusions of Law.
6 Payment is due in full on the date of this Order. Payment shall be made to the "State of Arizona" to
7 be placed in an interest-bearing account controlled by the Commission.

8 IT IS FURTHER ORDERED that the restitution ordered in the preceding paragraph will
9 accrue interest, as of the date of the Order, at the rate of the lesser of (i) ten percent per annum or (ii)
10 at a rate per annum that is equal to one per cent plus the prime rate as published by the board of
11 governors of the federal reserve system in statistical release H. 15 or any publication that may
12 supersede it on the date that the judgment is entered.

13 The Commission shall disburse the funds on a pro-rata basis to investors shown on the records
14 of the Commission. Any restitution funds that the Commission cannot disburse because an investor
15 refuses to accept such payment, or any restitution funds that cannot be disbursed to an investor
16 because the investor is deceased and the Commission cannot reasonably identify and locate the
17 deceased investor's spouse or natural children surviving at the time of the distribution, shall be
18 disbursed on a pro-rata basis to the remaining investors shown on the records of the Commission.
19 Any funds that the Commission determines it is unable to or cannot feasibly disburse shall be
20 transferred to the general fund of the state of Arizona.

21 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent GOVAN shall
22 pay an administrative penalty in the amount of \$5,000 as a result of the conduct set forth in the
23 Findings of Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment
24 shall be made to the "State of Arizona." Any amount outstanding shall accrue interest as allowed by
25 law.
26

1 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
2 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
3 shall be applied to the penalty obligation.

4 For purposes of this Order, a bankruptcy filing by Respondent GOVAN shall be an act of
5 default. If Respondent GOVAN does not comply with this Order, any outstanding balance may be
6 deemed in default and shall be immediately due and payable.

7 IT IS FURTHER ORDERED, that if Respondent GOVAN fails to comply with this order,
8 the Commission may bring further legal proceedings against her, including application to the superior
9 court for an order of contempt.

10 IT IS FURTHER ORDERED that no finding of fact or conclusion of law contained in this
11 Order shall be deemed binding against any Respondent under this Docket Number who has not
12 consented to the entry of this Order.

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IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN FORESE

COMMISSIONER DUNN

COMMISSIONER TOBIN

COMMISSIONER OLSON

COMMISSIONER BURNS



IN WITNESS WHEREOF, I, TED VOGT, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 7th day of NOVEMBER, 2017.

TED VOGT
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Kacie Cannon, ADA Coordinator, voice phone number (602) 542-3931, e-mail kcannon@azcc.gov.

(MS)

CONSENT TO ENTRY OF ORDER

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2 1. Respondent SHARON ELIZABETH GOVAN ("Respondent") admits the jurisdiction
3 of the Commission over the subject matter of this proceeding. Respondent SHARON ELIZABETH
4 GOVAN acknowledges that she has been fully advised of her right to a hearing to present evidence
5 and call witnesses and Respondent SHARON ELIZABETH GOVAN knowingly and voluntarily
6 waives any and all rights to a hearing before the Commission and all other rights otherwise available
7 under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondent
8 SHARON ELIZABETH GOVAN acknowledges that this Order to Cease and Desist, Order for
9 Restitution, Order for Administrative Penalties, and Consent to Same ("Order") constitutes a valid
10 final order of the Commission.

11 2. Respondent SHARON ELIZABETH GOVAN knowingly and voluntarily waives any
12 right under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or
13 extraordinary relief resulting from the entry of this Order.

14 3. Respondent SHARON ELIZABETH GOVAN acknowledges and agrees that this
15 Order is entered into freely and voluntarily and that no promise was made or coercion used to induce
16 such entry.

17 4. Respondent SHARON ELIZABETH GOVAN understands and acknowledges that
18 she has a right to seek counsel regarding this Order, and that she has had the opportunity to seek
19 counsel prior to signing this Order. Respondent SHARON ELIZABETH GOVAN acknowledges and
20 agrees that, despite the foregoing, Respondent SHARON ELIZABETH GOVAN freely and
21 voluntarily waives any and all right to consult or obtain counsel prior to signing this Order.

22 5. Respondent SHARON ELIZABETH GOVAN neither admits nor denies the Findings
23 of Fact and Conclusions of Law contained in this Order. Respondent SHARON ELIZABETH
24 GOVAN agrees that she shall not contest the validity of the Findings of Fact and Conclusions of Law
25 contained in this Order in any present or future proceeding in which the Commission is a party.
26

1 6. Respondent SHARON ELIZABETH GOVAN further agrees that she shall not deny
2 or contest the Findings of Fact and Conclusions of Law contained in this Order in any present or
3 future: (a) bankruptcy proceeding, or (b) non-criminal proceeding in which the Commission is a
4 party (collectively, "proceeding(s)"). In the event Respondent SHARON ELIZABETH GOVAN
5 pursues bankruptcy protection in the future, she further agrees that in such bankruptcy proceeding,
6 pursuant to 11 U.S.C. § 523(a)(19), the following circumstances exist:

7 A. The obligations incurred as a result of this Order are a result of the conduct set forth
8 in the Findings of Fact and Conclusions of Law in the Order and are for the violation of Arizona
9 state securities laws, pursuant to 11 U.S.C. § 523(a)(19)(A)(i);

10 B. This Order constitutes a judgment, order, consent order, or decree entered in a state
11 proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into by
12 Respondent SHARON ELIZABETH GOVAN pursuant to 11 U.S.C. § 523(a)(19)(B)(ii), and a court
13 order for damages, fine, penalty, citation, restitution payment, disgorgement payment, attorney fee,
14 cost or other payment owed by Respondent SHARON ELIZABETH GOVAN pursuant to 11 U.S.C.
15 § 523(a)(19)(B)(iii).

16 7. By consenting to the entry of this Order, Respondent SHARON ELIZABETH
17 GOVAN agrees not to take any action or to make, or permit to be made, any public statement
18 denying, directly or indirectly, any Finding of Fact or Conclusion of Law in this Order or creating
19 the impression that this Order is without factual basis.

20 8. While this Order settles this administrative matter between Respondent SHARON
21 ELIZABETH GOVAN and the Commission, Respondent SHARON ELIZABETH GOVAN
22 understands that this Order does not preclude the Commission from instituting other administrative
23 or civil proceedings based on violations that are not addressed by this Order.

24 9. Respondent SHARON ELIZABETH GOVAN understands that this Order does not
25 preclude the Commission from referring this matter to any governmental agency for administrative,
26 civil, or criminal proceedings that may be related to the matters addressed by this Order.

1 10. Respondent SHARON ELIZABETH GOVAN understands that this Order does not
2 preclude any other agency or officer of the state of Arizona or its subdivisions from instituting
3 administrative, civil, or criminal proceedings that may be related to matters addressed by this Order.

4 11. Respondent SHARON ELIZABETH GOVAN agrees that she will not apply to the
5 state of Arizona for registration as a securities dealer or salesman or for licensure as an investment
6 adviser or investment adviser representative until such time as all restitution and penalties under this
7 Order are paid in full.

8 12. Respondent SHARON ELIZABETH GOVAN agrees that she will not exercise any
9 control over any entity that offers or sells securities or provides investment advisory services within
10 or from Arizona until such time as all restitution and penalties under this Order are paid in full.

11 13. Respondent SHARON ELIZABETH GOVAN agrees that she will continue to
12 cooperate with the Securities Division including, but not limited to, providing complete and accurate
13 testimony at any hearing in this matter and cooperating with the state of Arizona in any related
14 investigation or any other matters arising from the activities described in this Order.

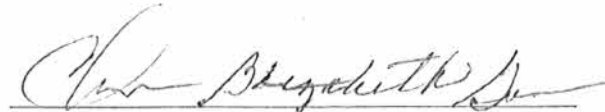
15 14. Respondent SHARON ELIZABETH GOVAN consents to the entry of this Order and
16 agrees to be fully bound by its terms and conditions.

17 15. Respondent SHARON ELIZABETH GOVAN acknowledges and understands that if
18 she fails to comply with the provisions of the order and this consent, the Commission may bring
19 further legal proceedings against them, including application to the superior court for an order of
20 contempt.

21 16. Respondent SHARON ELIZABETH GOVAN understands that default shall render
22 her liable to the Commission for its costs of collection, including reasonable attorneys' fees and
23 interest at the maximum legal rate.

24 17. Respondent SHARON ELIZABETH GOVAN agrees and understands that if she
25 fails to make any payment as required in the Order, any outstanding balance shall be in default and
26 shall be immediately due and payable without notice or demand. Respondent SHARON

1 ELIZABETH GOVAN agrees and understands that acceptance of any partial or late payment by the
2 Commission is not a waiver of default by the Commission.

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5 
6 Respondent ~~SHARON~~ ELIZABETH GOVAN
7 *SHARON*

8 STATE OF CALIFORNIA)
9) ss
10 County of)

11 SUBSCRIBED AND SWORN TO BEFORE me this 20 day of September, 2017.

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NOTARY PUBLIC

My commission expires:

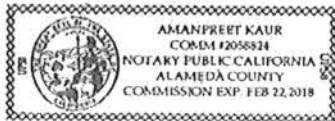
PLEASE SEE ATTACHED
NOTARY CERTIFICATE

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Alameda

Subscribed and sworn to (or affirmed) before me on this 20
day of Sep, 2017, by Charron Govan

proved to me on the basis of satisfactory evidence to be the
person~~(s)~~ who appeared before me.



(Seal)

Signature 

1 SERVICE LIST FOR: SHARON ELIZABETH GOVAN

2 SHARON ELIZABETH GOVAN

3 815 12TH Street, Apt. B25

4 Oakland, CA 94608

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